

OCTOBER 5, 1994

DIRECTIVE NO. 124

TO: ALL INSURERS AND AGENTS DOING BUSINESS IN LOUISIANA

RE: ACCEPTANCE OF PREMIUMS FROM A LOUISIANA LICENSED PREMIUM FINANCE COMPANY

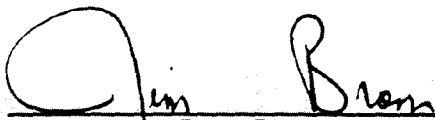
THE OFFICE OF THE ATTORNEY GENERAL, IN OPINION NUMBER 94-297, HAS STATED THAT, UNDER THE PROVISIONS OF LOUISIANA REVISED STATUTES 9:3550(J) AND OTHER PROVISIONS IN THE LOUISIANA REVISED STATUTES, THAT:

"AN INSURER MAY NOT DISCRIMINATE BETWEEN APPLICANTS FOR INSURANCE WITH SUBSTANTIALLY LIKE INSURING RISK SOLELY BECAUSE THE PREMIUM IS ADVANCED BY A PROPERLY LICENSED PREMIUM FINANCE COMPANY."

THEREFORE, I ORDER AND DIRECT THAT:

- 1) NO INSURER DOING BUSINESS IN LOUISIANA MAY REFUSE TO ACCEPT PREMIUM FROM A LOUISIANA LICENSED PREMIUM FINANCE COMPANY AS A METHOD OF PREMIUM PAYMENT.
- 2) NO INSURER OR AGENT DOING BUSINESS IN LOUISIANA MAY REFUSE TO ISSUE A POLICY OF INSURANCE SOLELY BECAUSE THE PREMIUMS THEREFOR HAVE BEEN ADVANCED BY A PREMIUM FINANCE COMPANY LICENSED IN LOUISIANA WITH WHICH THE INSURER OR ITS AGENT IS NOT AFFILIATED OR DOES NOT CUSTOMARILY DO BUSINESS.

FAILURE OF AN INSURER OR AN AGENT TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN REGULATORY ACTION BY THE COMMISSIONER OF INSURANCE FOR VIOLATION OF THIS DIRECTIVE AND THE LOUISIANA INSURANCE CODE, INCLUDING SPECIFICALLY LOUISIANA REVISED STATUTES 22:1214(12) REGARDING UNFAIR METHODS OF COMPETITION AND UNFAIR OR DECEPTIVE ACTS OR PRACTICES IN THE BUSINESS OF INSURANCE.



JAMES H. "JIM" BROWN
COMMISSIONER OF INSURANCE